



Food & Agricultural  
Policy Research Institute  
University of Missouri

# Strategies for Putting the Marketing Puzzle Together

Food and Agricultural Policy Research Institute (FAPRI)  
Division of Applied Social Sciences  
University of Missouri  
[www.fapri.missouri.edu](http://www.fapri.missouri.edu)  
September 16, 2020

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# U.S. corn supply and use

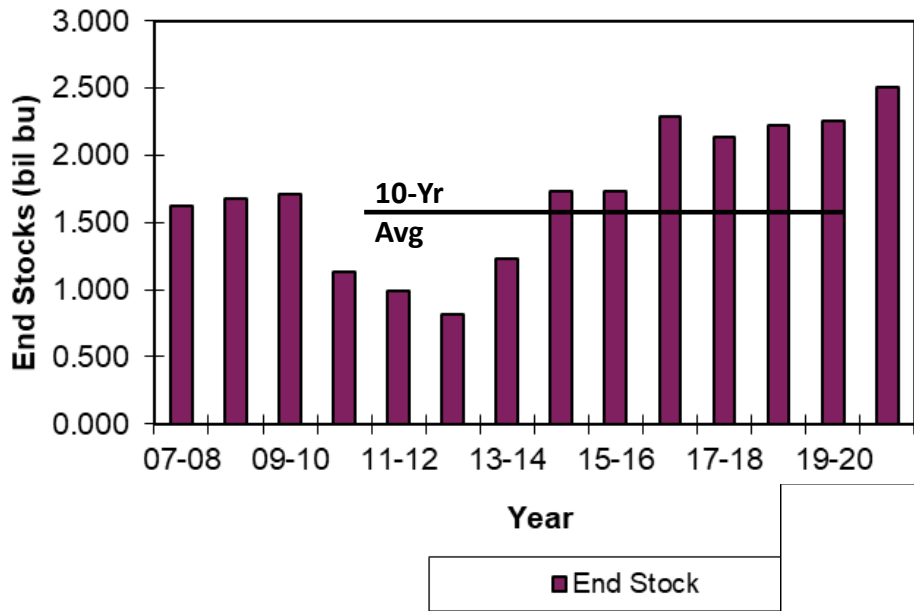
	2019/20 (USDA Sep 11)	2020/21 (USDA Sep 11)	2019/20 (FAPRI Aug 2020)	2020/21 (FAPRI Aug 2020)
Area planted (mil. acres)	89.7	92.0	89.7	92.0
Yield (bu./harvested acre)	167.4	178.5	167.4	179.4
Production (mil. bu.)	13,617	14,900	13,617	15,075
Feed and residual use (mil. bu.)	5,600	5,825	5,600	5,858
Ethanol and coproduct use	4,855	5,100	4,850	5,224
Other domestic use	1,410	1,425	1,410	1,405
Exports	1,765	2,325	1,795	2,172
Ending stocks	2,253	2,503	2,228	2,680
Marketing yr. avg. price (\$/bu.)	3.60	3.50	3.60	3.24

Source: USDA WASDE, September 2020.

# WASDE USDA Corn Summary Sep 11, 2020

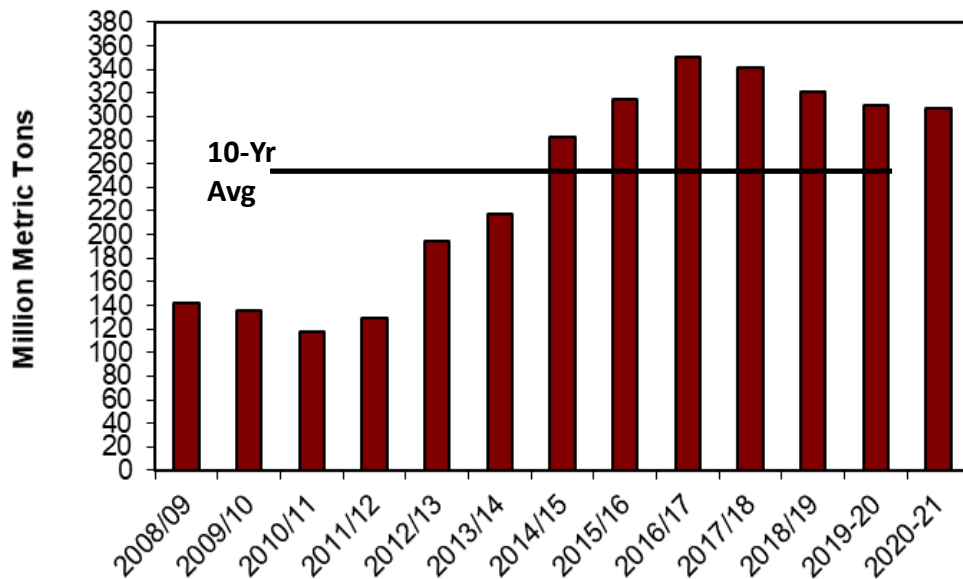
- 1) U.S. Average Farm Price – **Slight decrease since 2018-2019**
  - 2020-21 USDA: \$3.50
  - 2019-20 USDA: \$3.60
  - 2018-19 USDA: \$3.61
- 2) U.S. Ending Stocks- **Significantly above 10 and 20 year Average**
  - 2020-21 USDA: (2,503 Million Bushels)
  - 2019-20 USDA: (2,253 Million Bushels)
  - 2018-19 USDA: (2,221 Million Bushels)
  - 10 Year Average 09/10-18/19: (1,597 Million Bushels)
  - 20 Year Average 99/00-18/19: (1,595 Million Bushels)
- 3) World Ending Corn Stocks – **Significantly above 10 year Average**
  - 2020-21 World: (307 Million Metric Tons)
  - 2019-20 World: (309 Million Metric Tons)
  - 2018-19 World: (320 Million Metric Tons)
  - 10 Year Average 09/10-18/19: (241 Million Metric Tons)
- 4) U.S. Export – **Moderate increase since 2018-19**
  - 2020- 21 USDA: (2,325 Million Bushels)
  - 2019-20 USDA: (1,795 Million Bushels)
  - 2018- 19 USDA: (2,066 Million Bushels)

**Corn:End Stocks & Price**

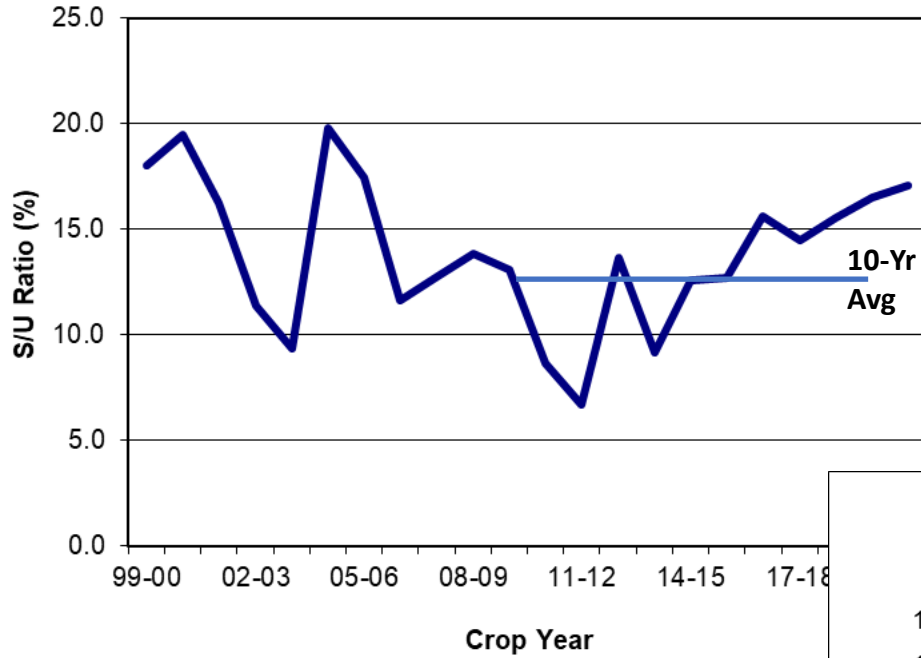


**Very large US ending stocks along with large world supplies**

**Corn World End Stocks (MMT)**

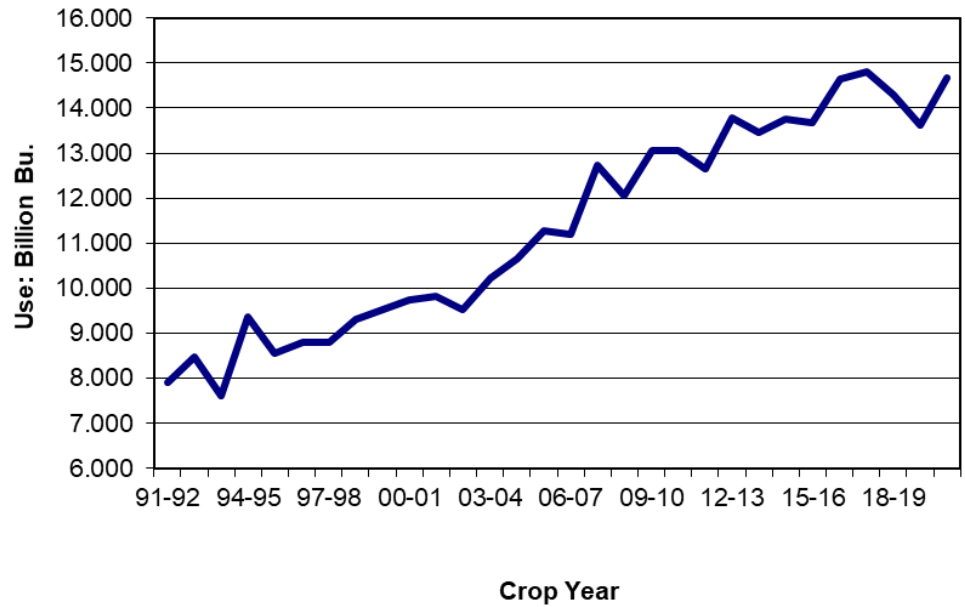


**Corn: End Stocks/Use Ratio**

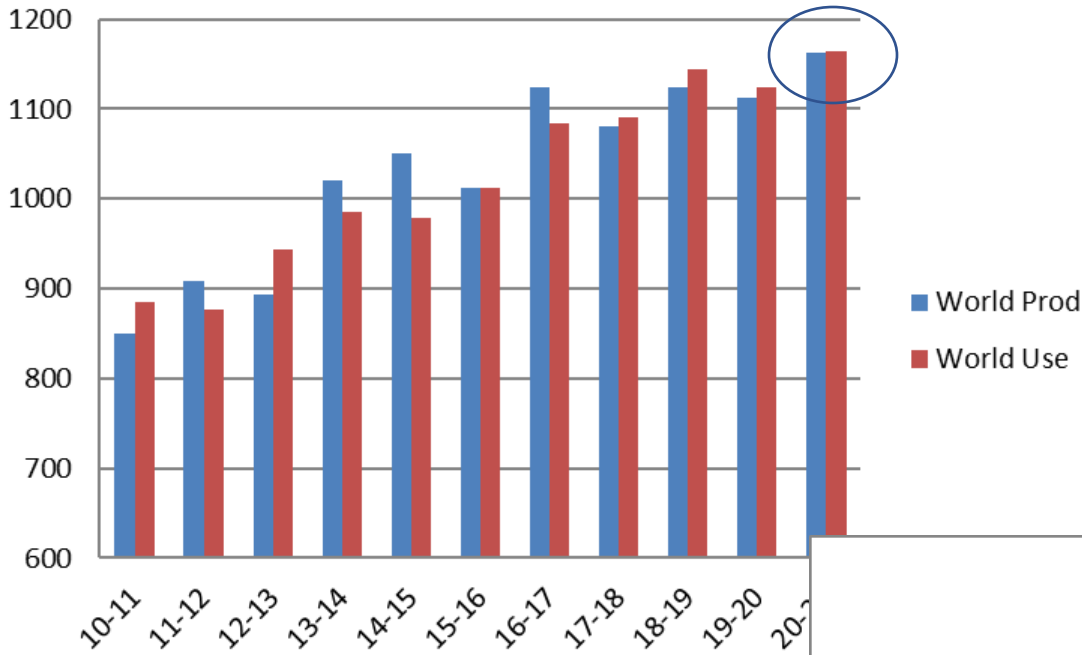


**Much above average  
stocks/use ratio with  
somewhat higher use.**

**Use: Corn Total Use**

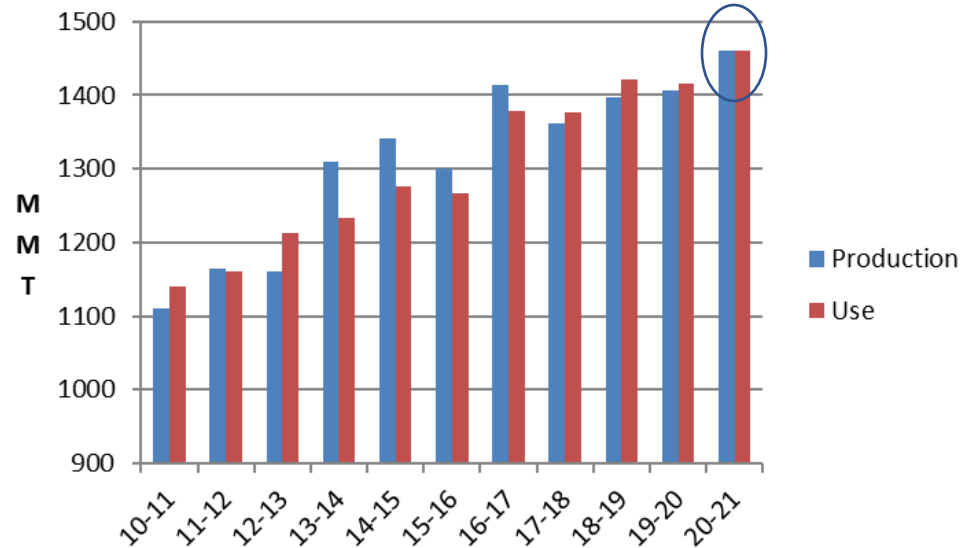


## Corn World Production & Use

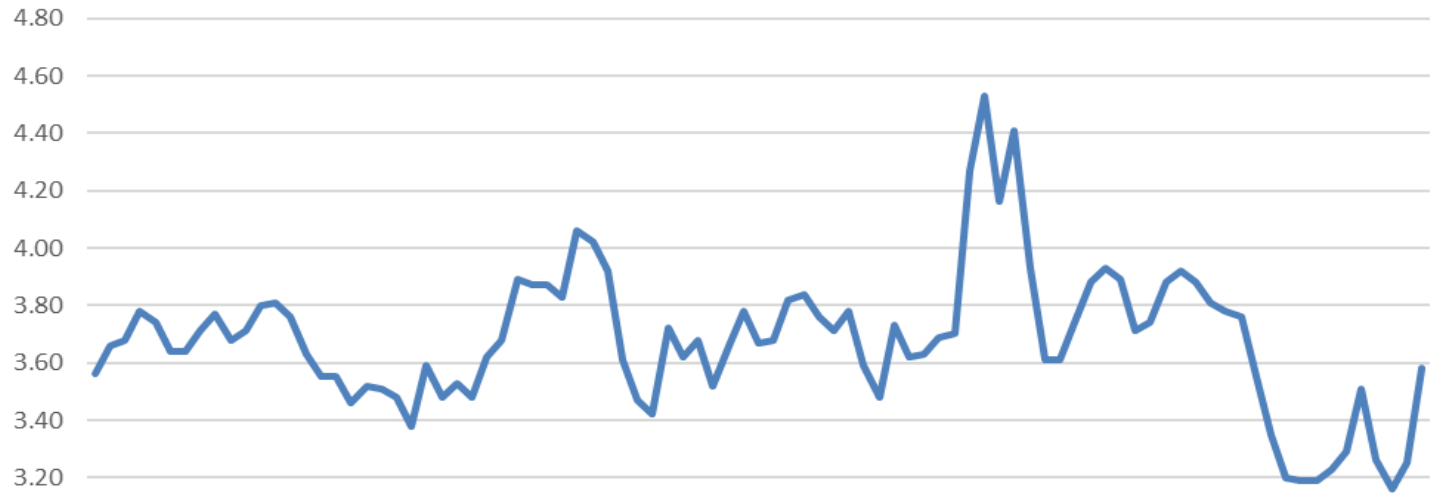


**Global consumption remains strong, slightly exceeding 2020-21 corn and coarse grain production.**

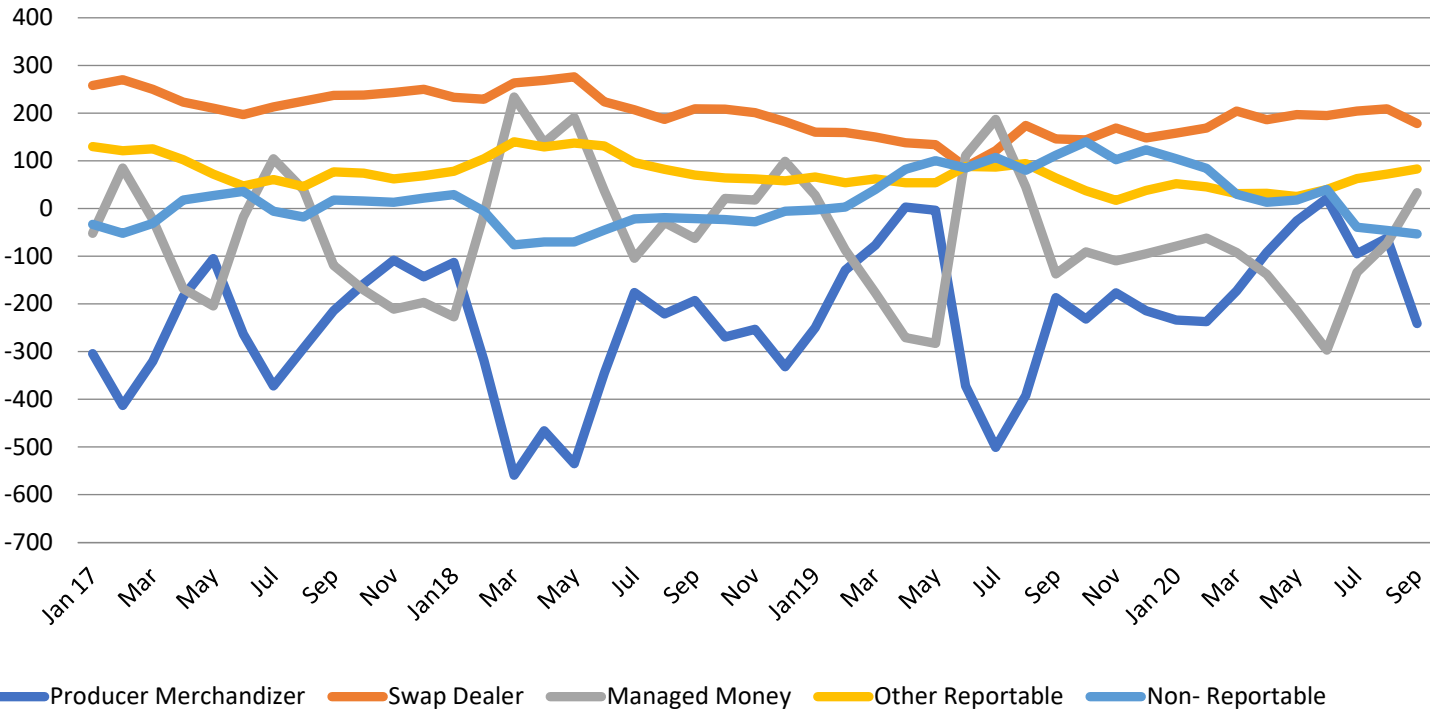
## World Coarse Grains: Production & Use



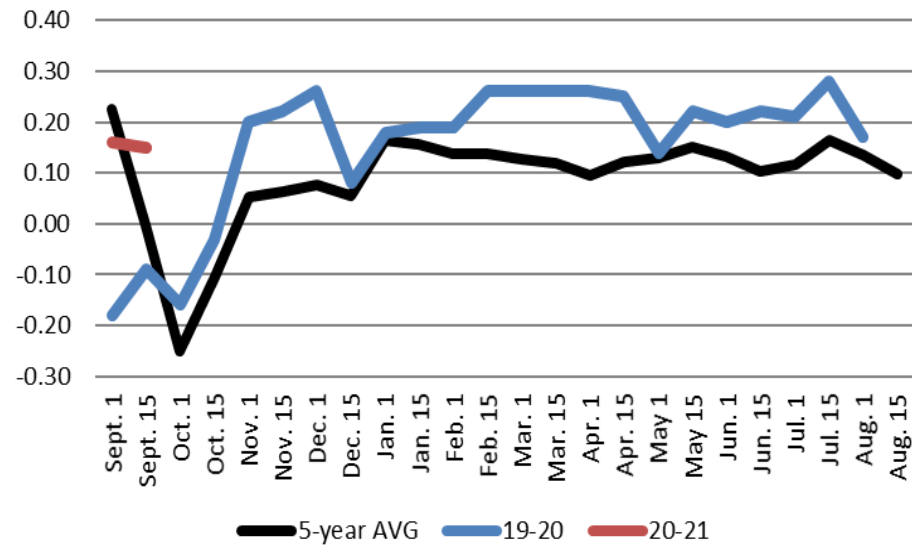
### Corn Futures Price



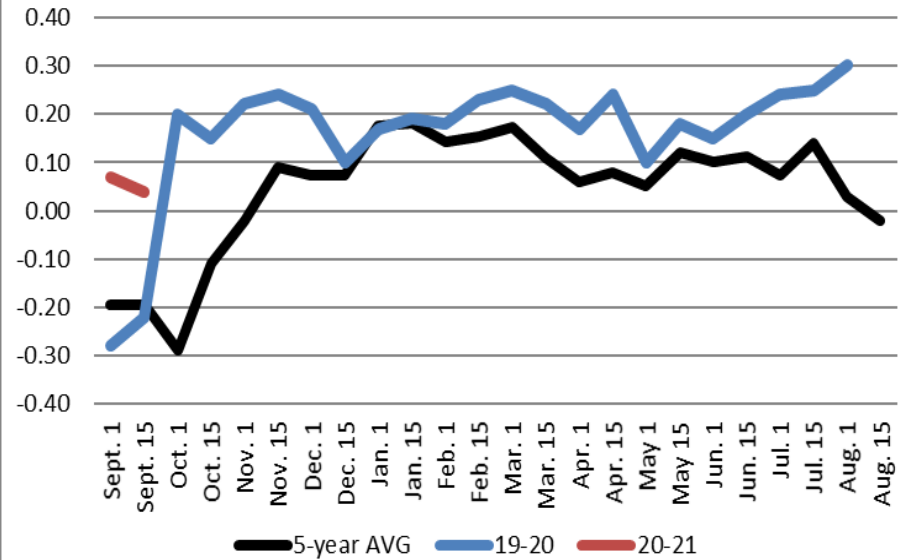
### Corn COT Net Position



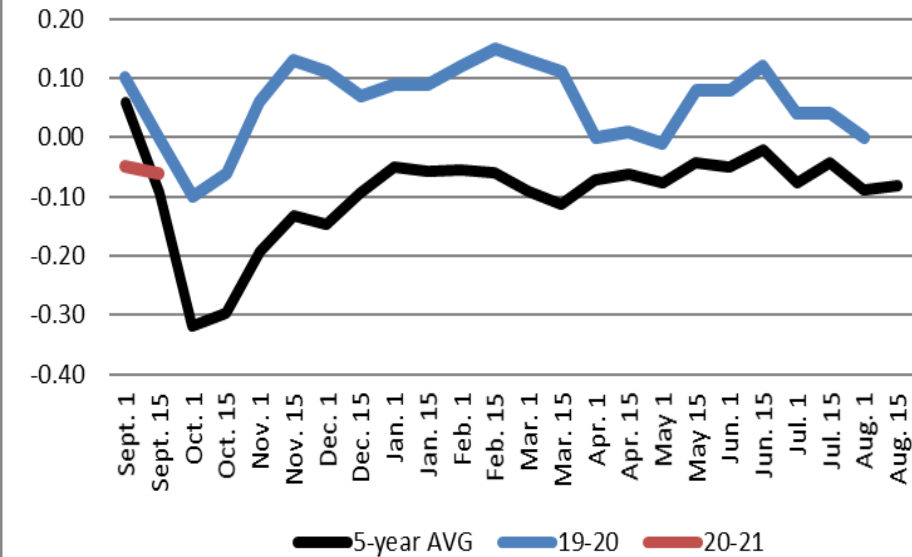
### St Louis Corn Basis



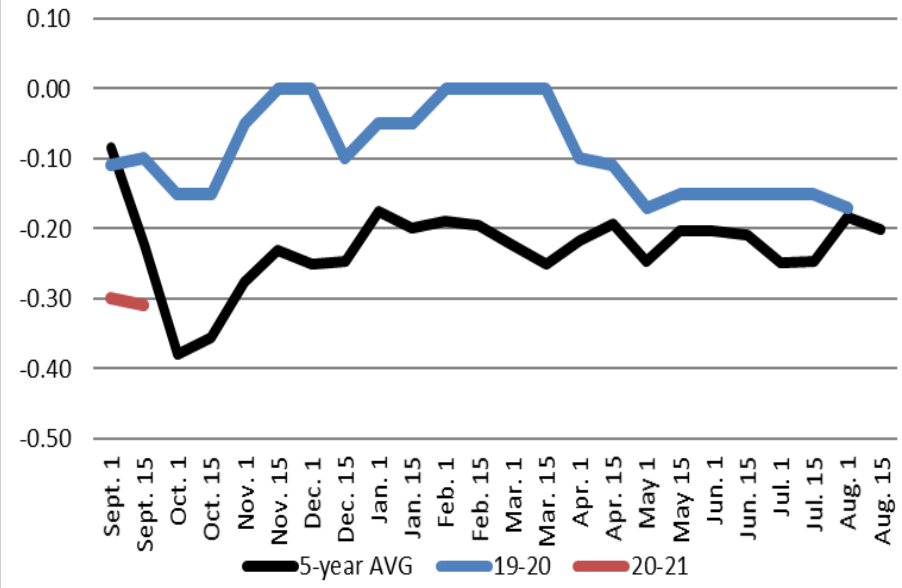
### SE MO Corn Basis



### Kansas City Corn Basis



### Central MO Corn Basis

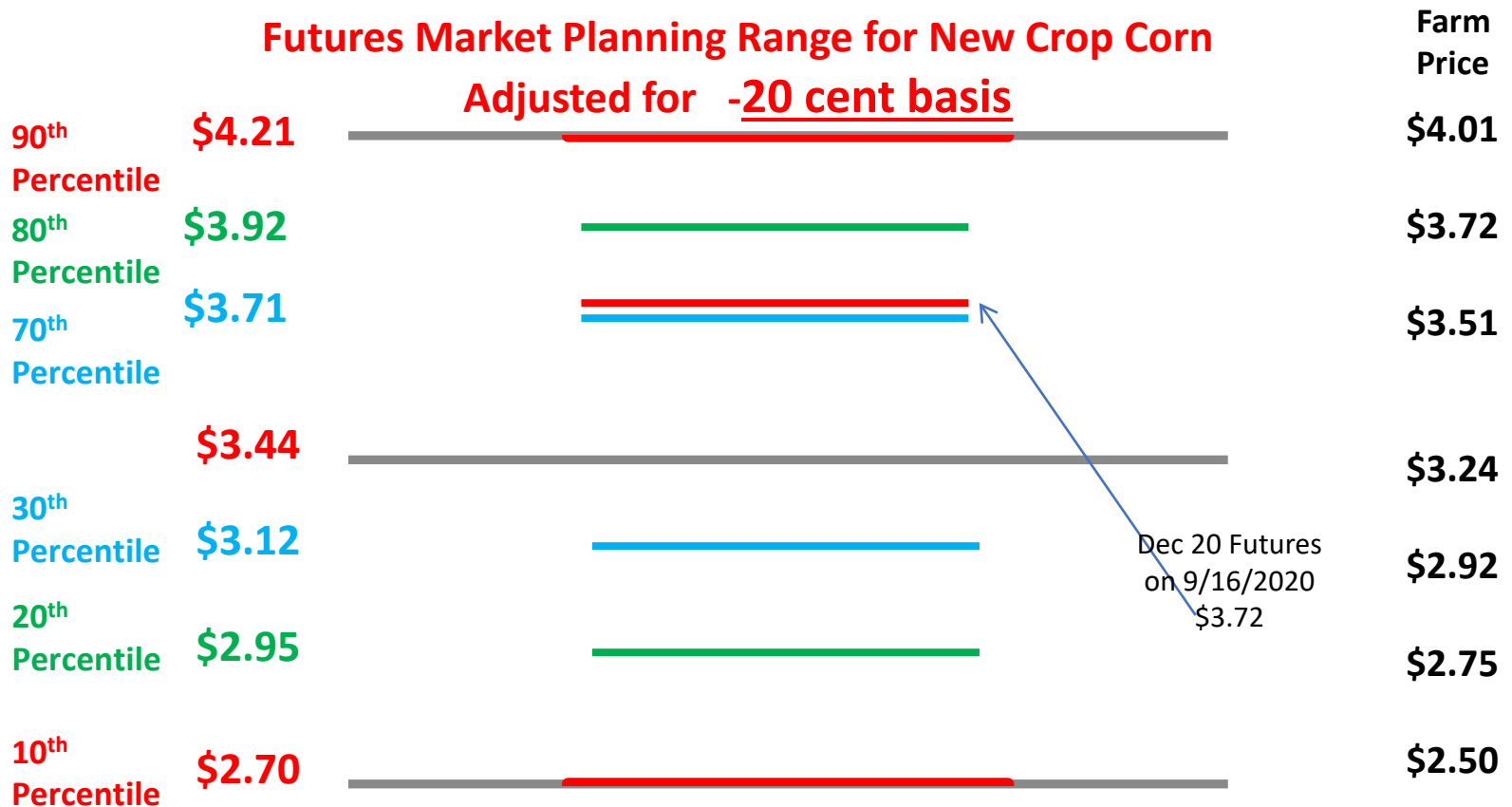




# New Crop – (20-21) Corn FAPRI Baseline Ranges August 2020

August 2020 FAPRI Price: **Adjusted for -\$0.20 basis**

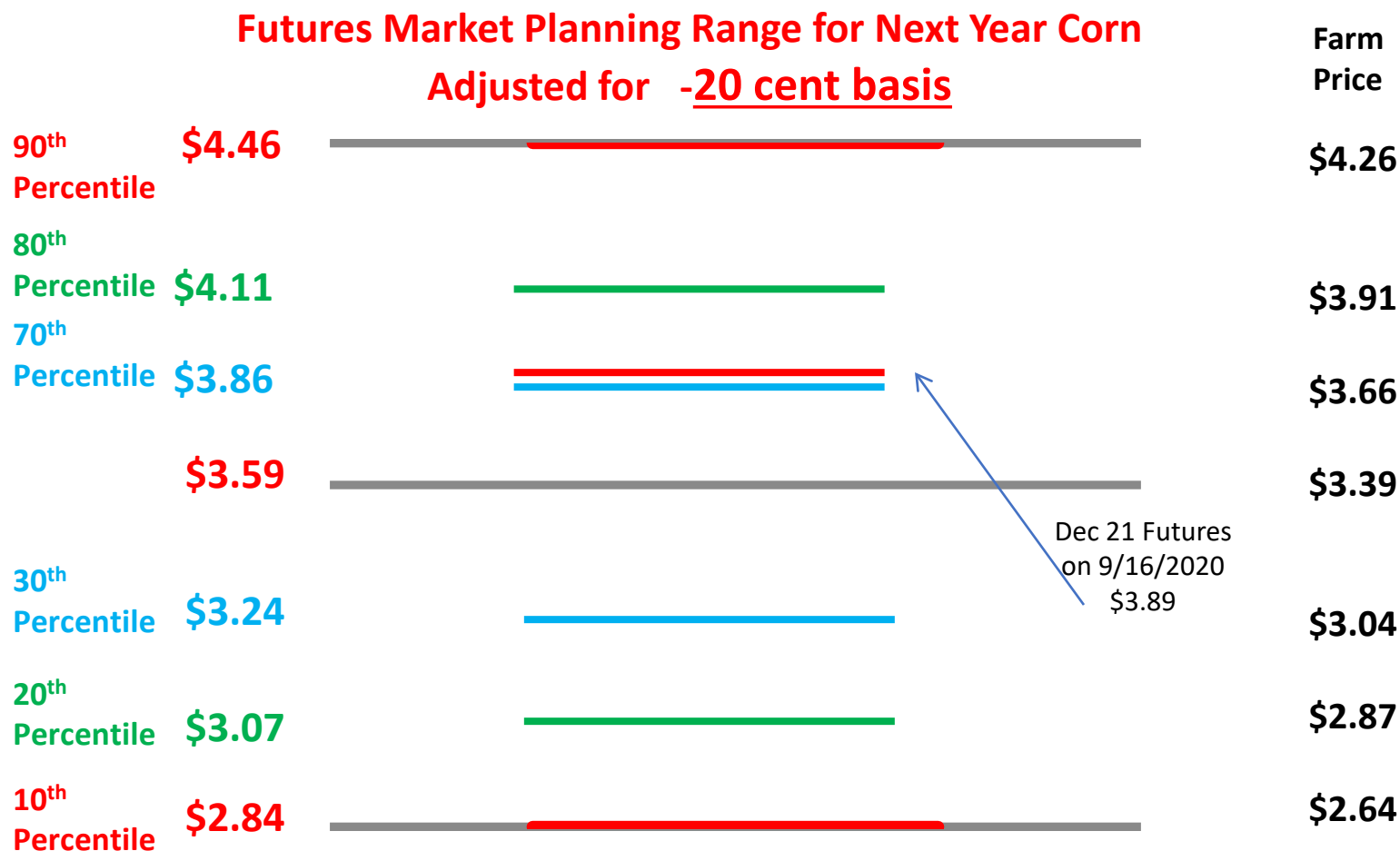
- Futures Price Equivalent of 2020-2021 Projected Farm Price: **\$3.44**
- Futures Price Equivalent of FAPRI Range: **\$2.95 – 3.92 @ 80 Percentile**
- Futures Price Equivalent of 9/11/20 USDA Avg Price: **\$3.70**



# Next Year – (21-22) Corn FAPRI Baseline Ranges August 2020

August 2020 FAPRI Projected Farm Price: **Adjusted for  $-\$0.20$  basis**

- Futures Price Equivalent of 2021-2022 Projected Farm Price:  **$\$3.59$**
- Futures Price Equivalent of FAPRI Range:  **$\$3.07 - \$4.11$**  @ 80 Percentile



# U.S. soybean supply and use

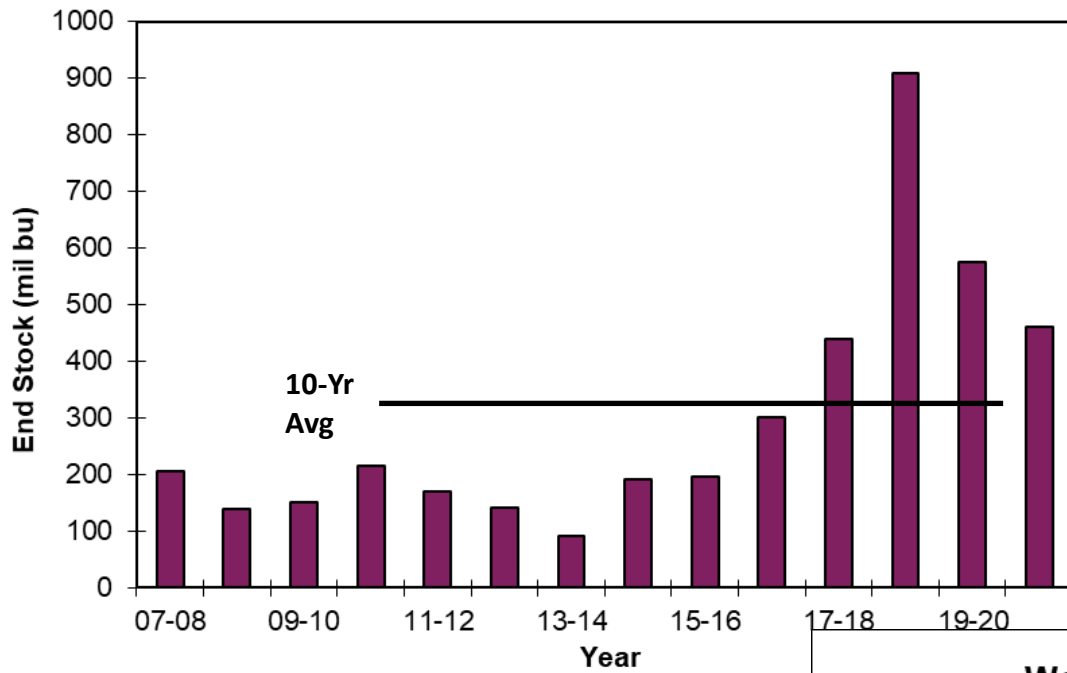
	2019/20 (USDA Sep 11)	2020/21 (USDA Sep 11)	2019/20 (FAPRI Aug 2020)	2020/21 (FAPRI Aug 2020)
Area planted (mil. acres)	76.1	83.8	76.1	83.8
Yield (bu./harvested acre)	47.4	51.9	47.4	53.3
Production (mil. bu.)	3,552	4,313	3,552	4,425
Crush (mil. bu.)	2,170	2,180	2,160	2,181
Other domestic use	52	138	51	137
Exports	1,680	2,125	1,650	2,133
Ending stocks	575	460	615	603
Marketing yr. avg. price (\$/bu.)	8.55	9.25	8.55	8.24

Sources: USDA WASDE, September 2020.

# WASDE-USDA Soybean Summary Sep 11, 2020

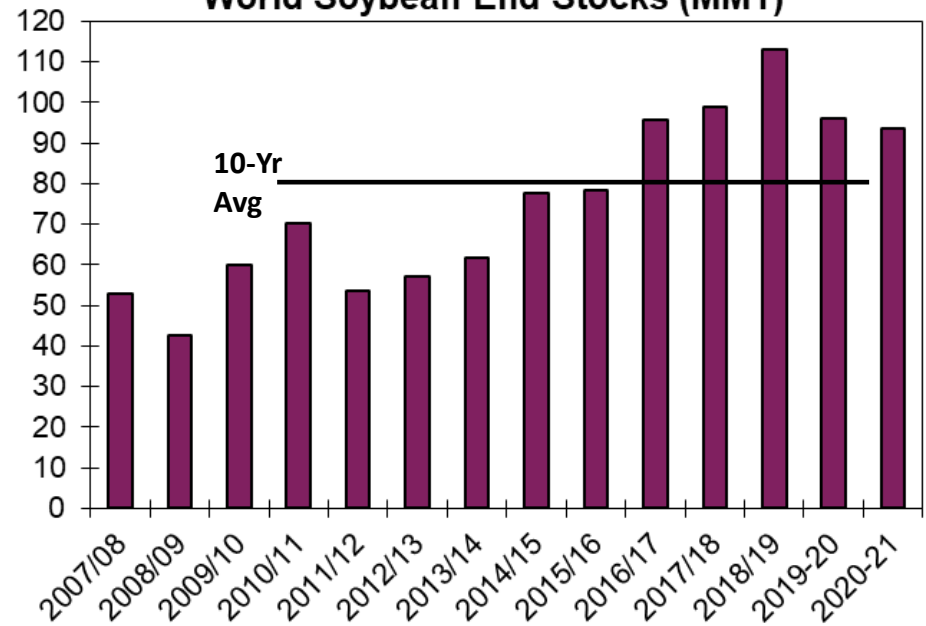
- 1) U.S. Average Farm Price- **Slight increase since 2018-19**
  - 2020-21 USDA: \$9.25
  - 2019-20 USDA: \$8.55
  - 2018-19 USDA: \$8.48
  
- 2) U.S. Ending Stocks- **Significantly above 20 Year Average**
  - 2020- 21 USDA: (460 Million Bushels)
  - 2019- 20 USDA: (575 Million Bushels)
  - 2018- 19 USDA: (909 Million Bushels)
  - 10 Year Average 09/10-18/19: (297 Million Bushels)
  - 20 Year Average 99/00-18/19: (281 Million Bushels)
  
- 3) World Ending Soybean Stocks- **Moderately above 10 Year Average**
  - 2020- 21 World: (94 Million Metric Tons)
  - 2019- 20 World: (96 Million Metric Tons)
  - 2018- 19 World: (113 Million Metric Ton)
  - 10 Year Average 09/10-18/19: (77 Million Metric Tons)
  - 20 Year Average 99/00-18/19: (60 Million Metric Tons)
  
- 4) U.S. Export – **Significant increase over 2018-19**
  - 2020- 21 USDA: (2,125 Million Bushels)
  - 2019- 20 USDA: (1,680 Million Bushels)
  - 2018- 19 USDA: (1,752 Million Bushels)

### Soybean: U.S. End Stocks

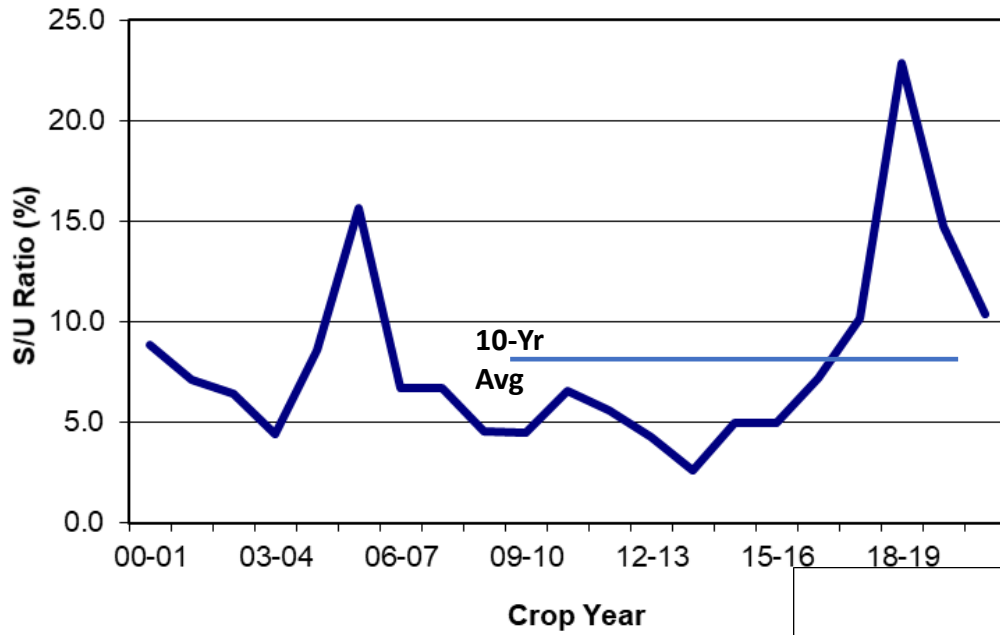


**Expected domestic and global ending stocks remain above average, but US carryover down significantly from record highs**

### World Soybean End Stocks (MMT)

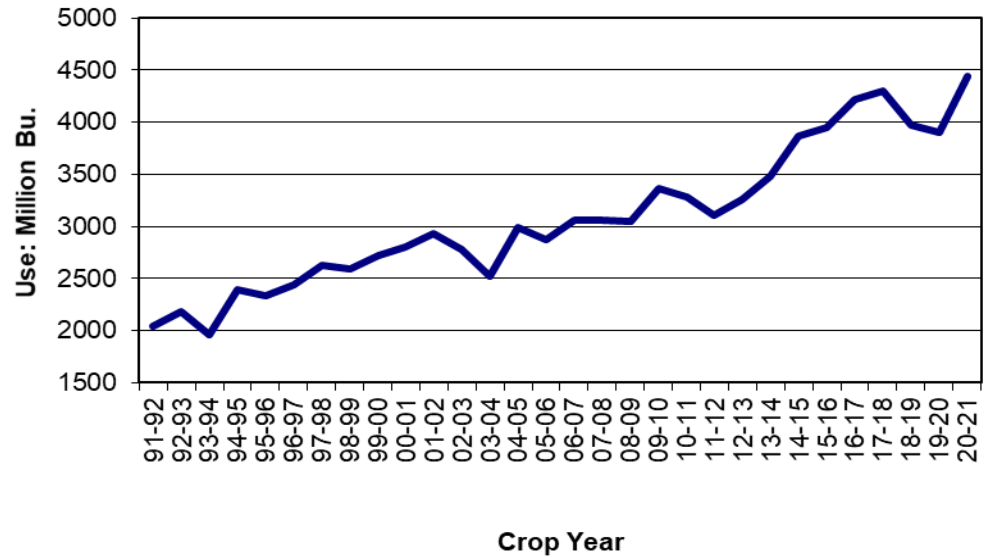


### Soybeans: End Stocks/Use Ratio

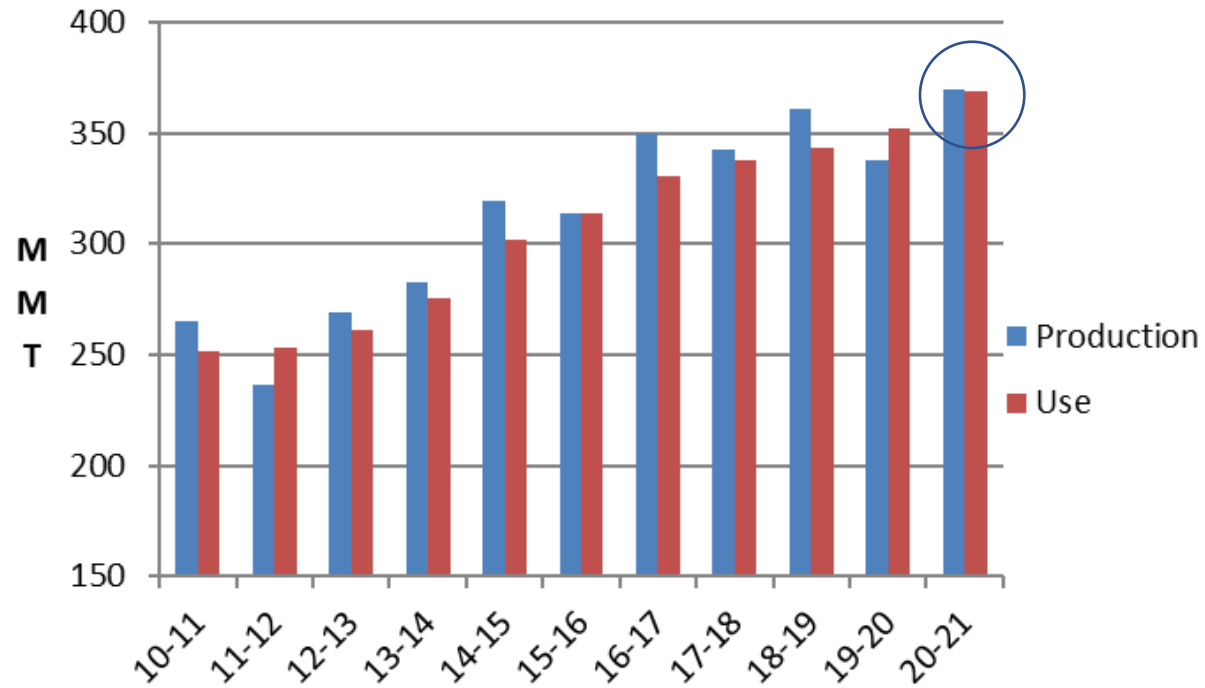


**Stocks/Use Ratio is lower, but remains above average. Use rebounding.**

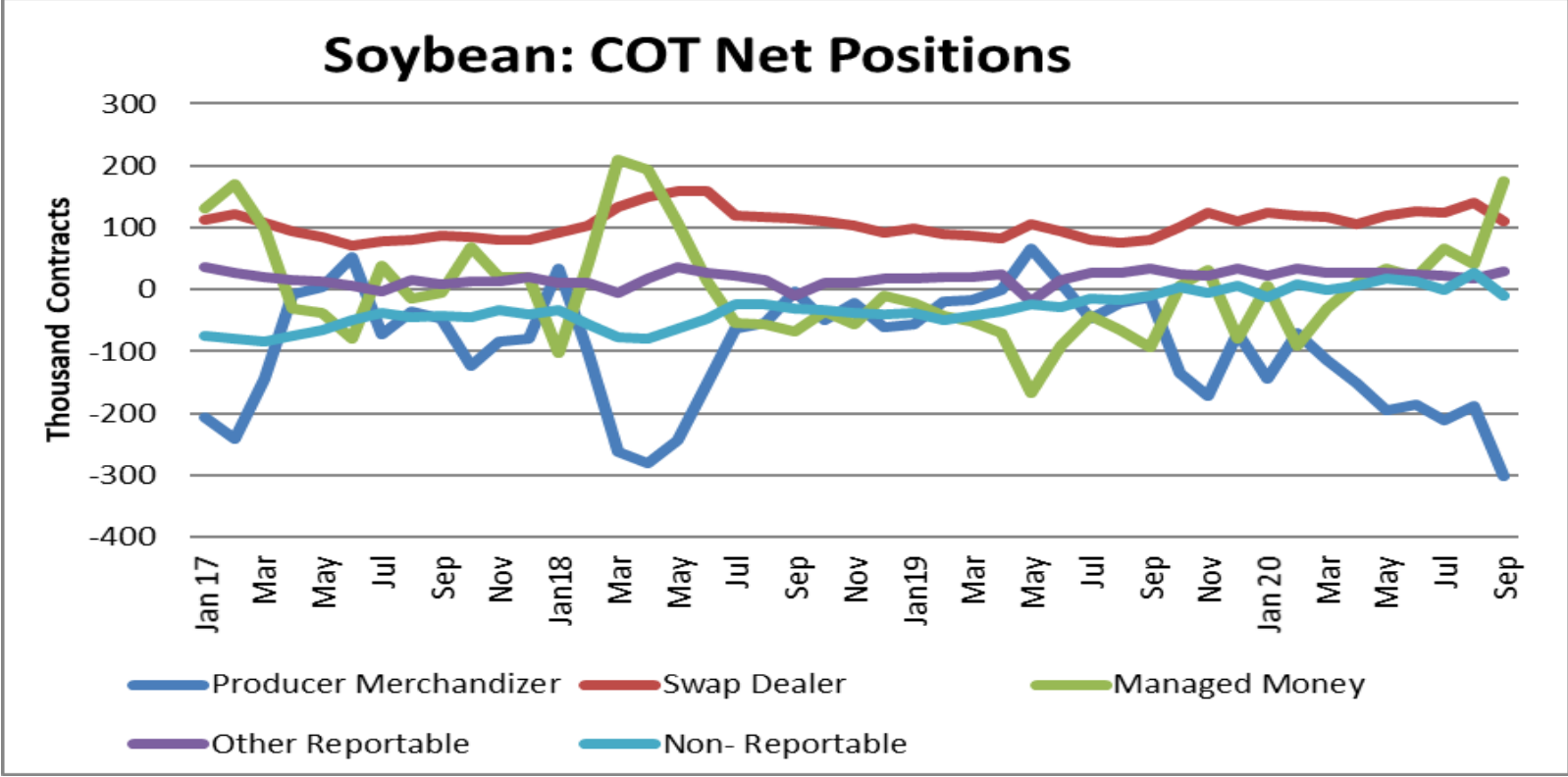
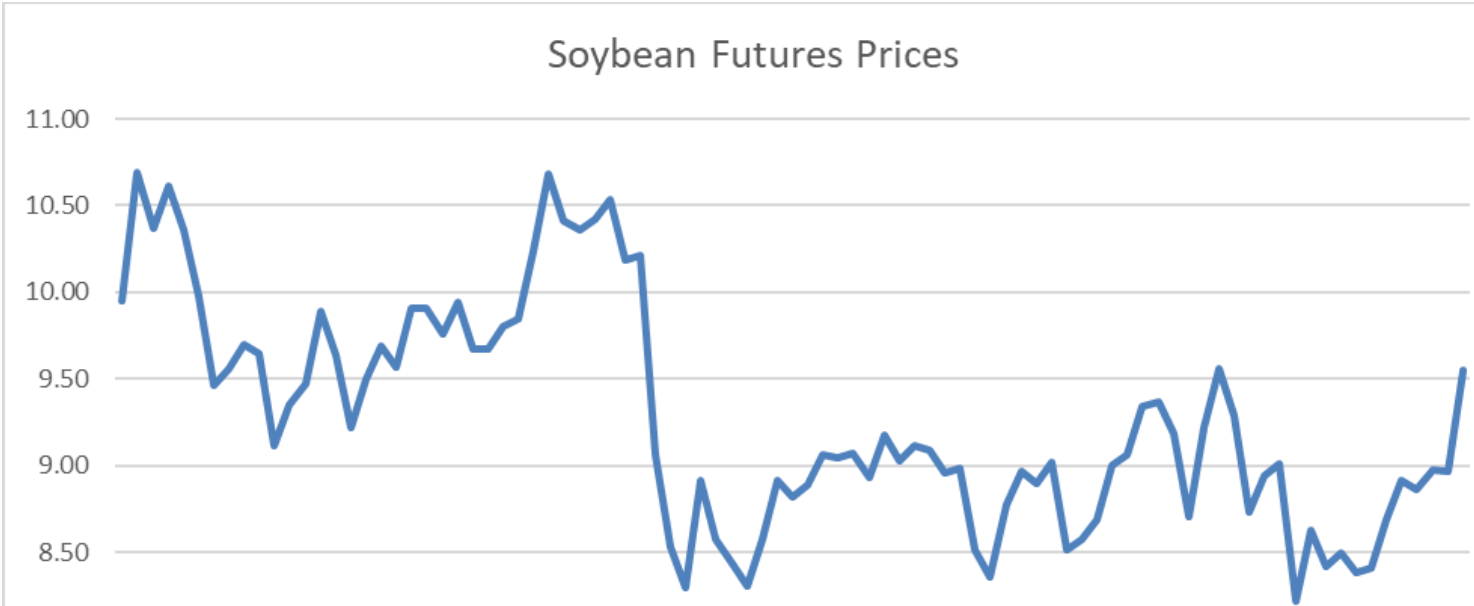
### Soybean: Total Use



# World Soybean Production and Use

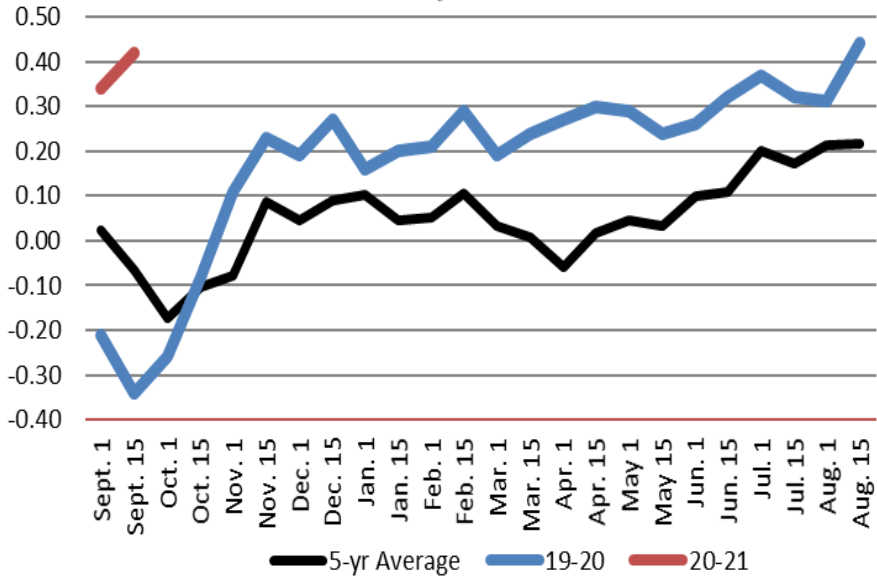


**2019-20 Global production is expected to slightly exceed use.**

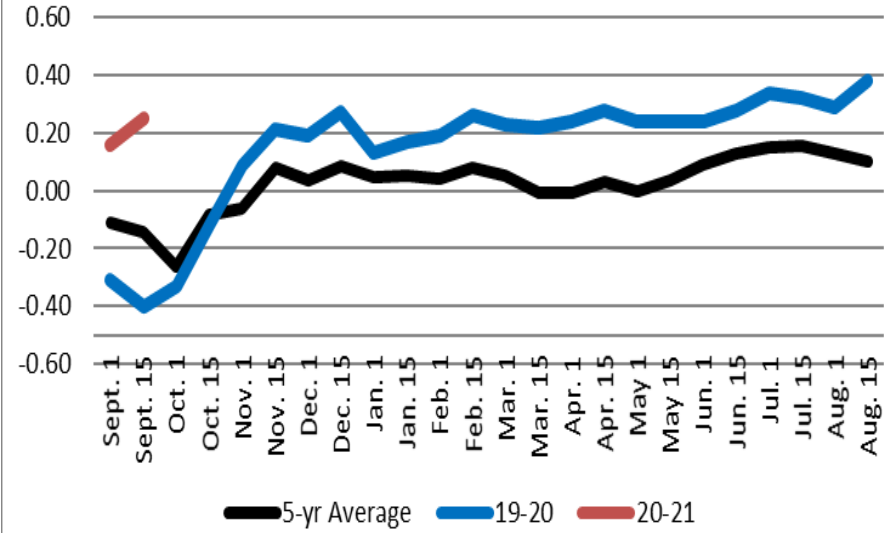




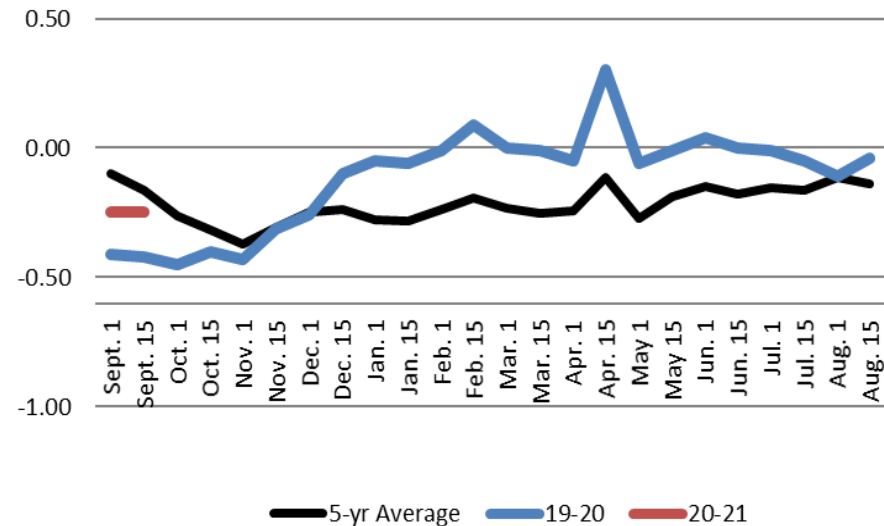
### St Louis Soybean Basis



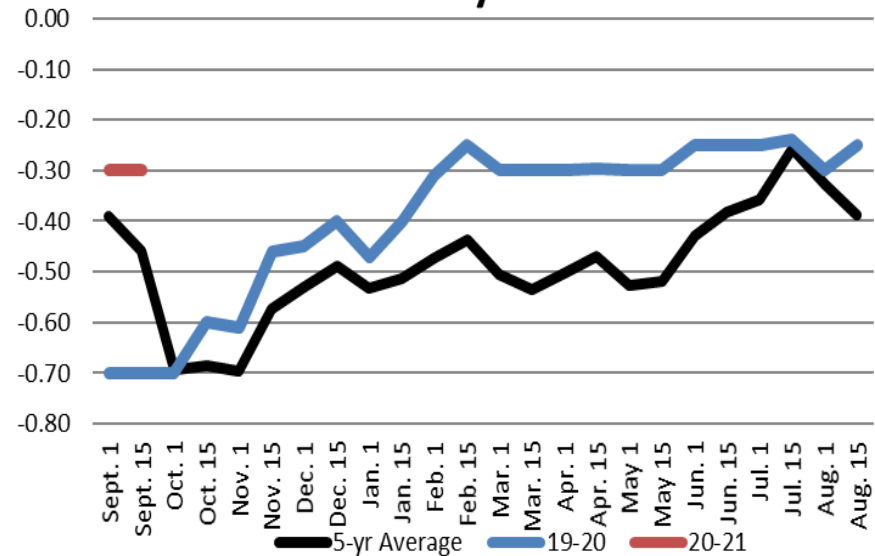
### SE MO Soybean Basis



### Kansas City Soybean Basis



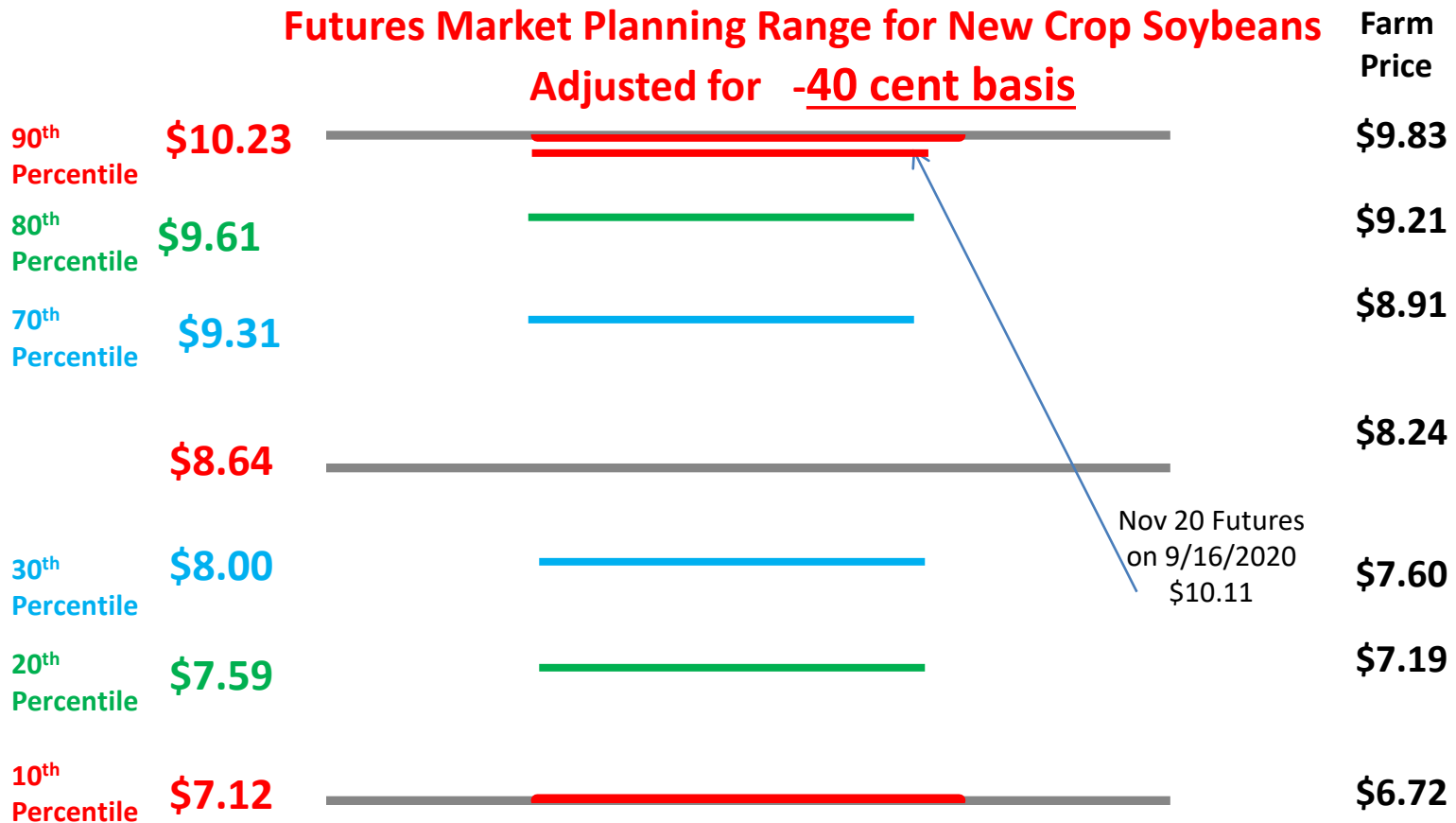
### Central MO Soybean Basis



# New Crop – (20-21) Soybean FAPRI Baseline Ranges August 2020

August 2020 FAPRI Price: **Adjusted for -\$0.40 basis**

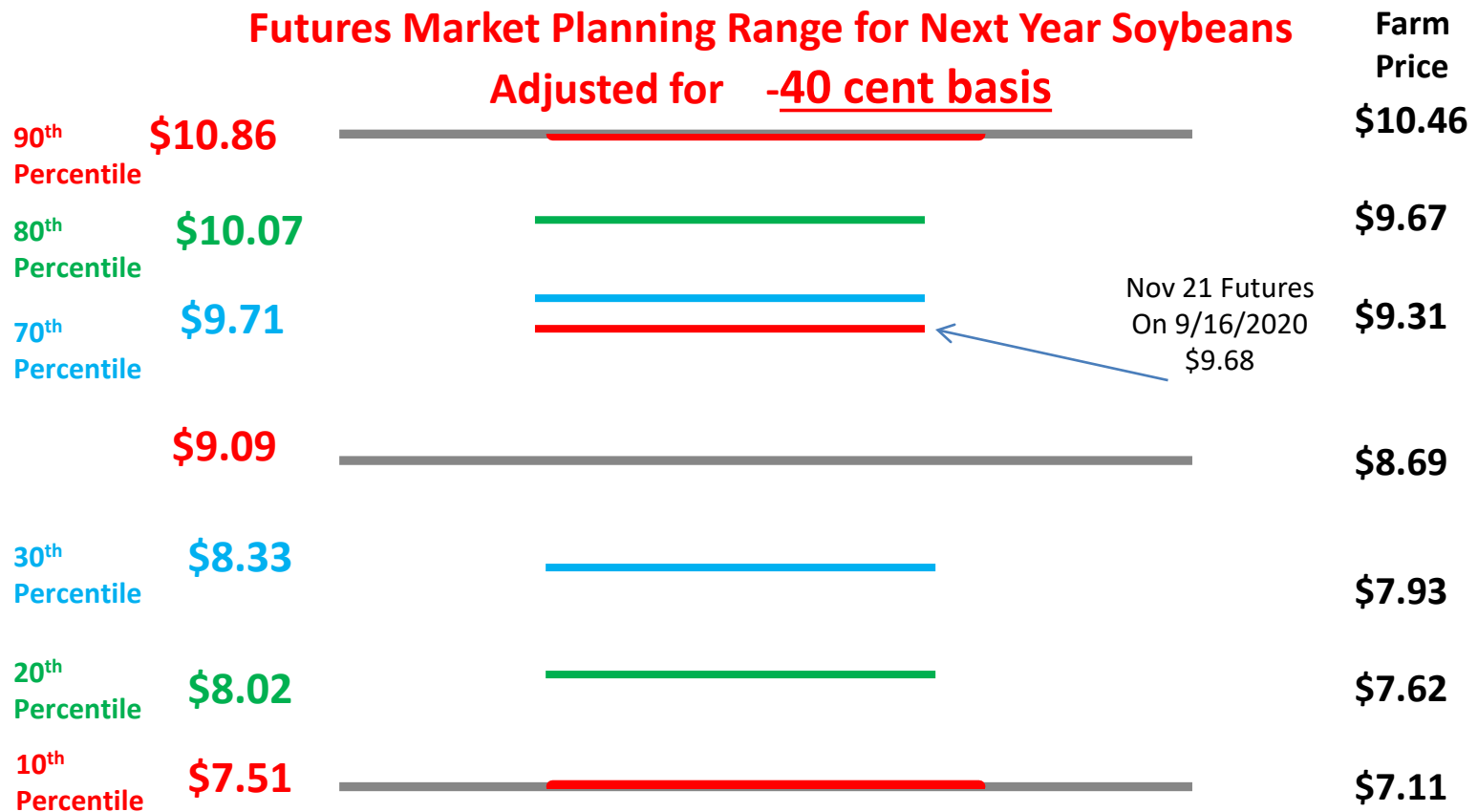
- Futures Price Equivalent of 2020-2021 Projected Farm Price: **\$8.64**
- Futures Price Equivalent of FAPRI Range: **\$7.59 - \$9.61 @ 80 Percentile**
- Futures Price Equivalent of 9/15/20 USDA Price: **Avg \$9.65**



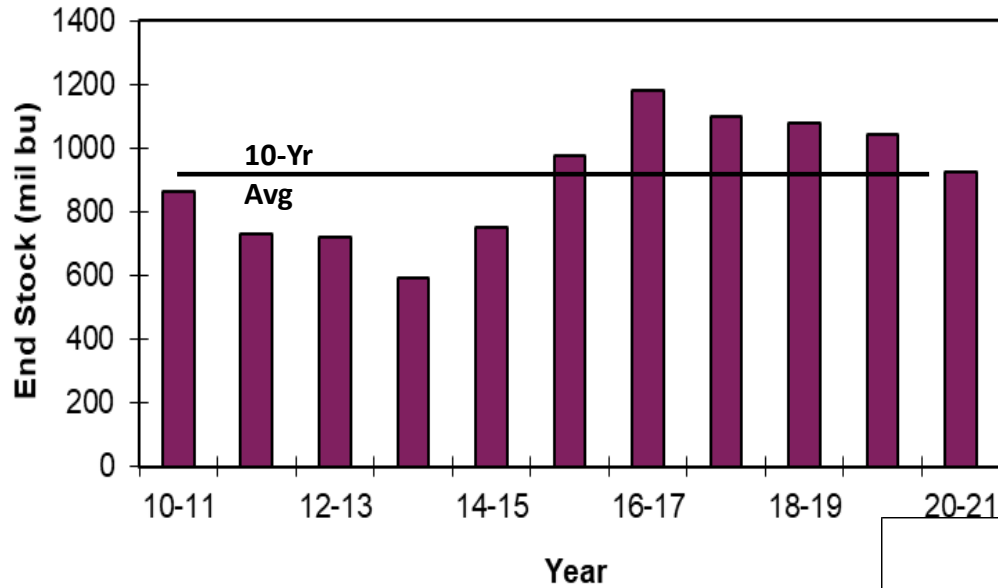
# Next Year – (21-22) Soybean FAPRI Baseline Ranges August 2020

August 2020 FAPRI Price: **Adjusted for -\$0.40 basis**

- Futures Price Equivalent of 2021- 2022 Projected Farm Price: **\$9.09**
- Futures Price Equivalent of FAPRI Range: **\$8.02 - \$10.07 @ 80 Percentile**

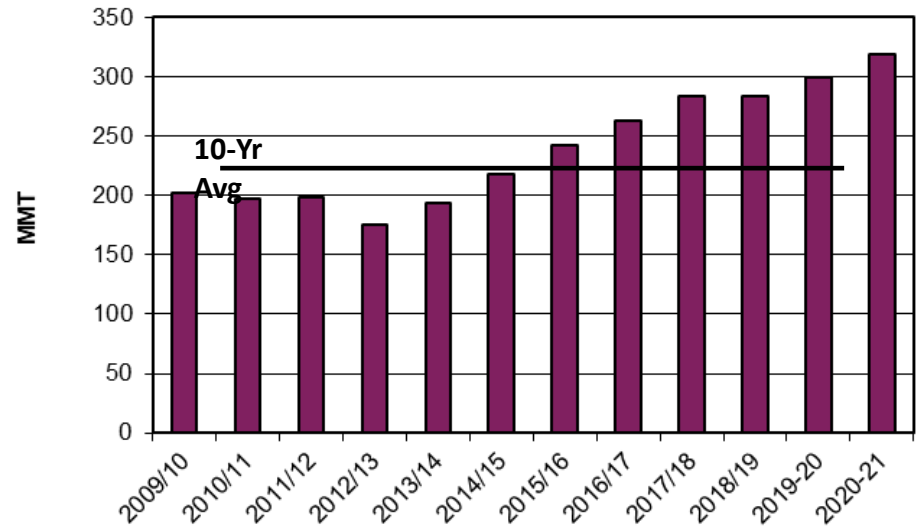


### Wheat: U.S. End Stocks

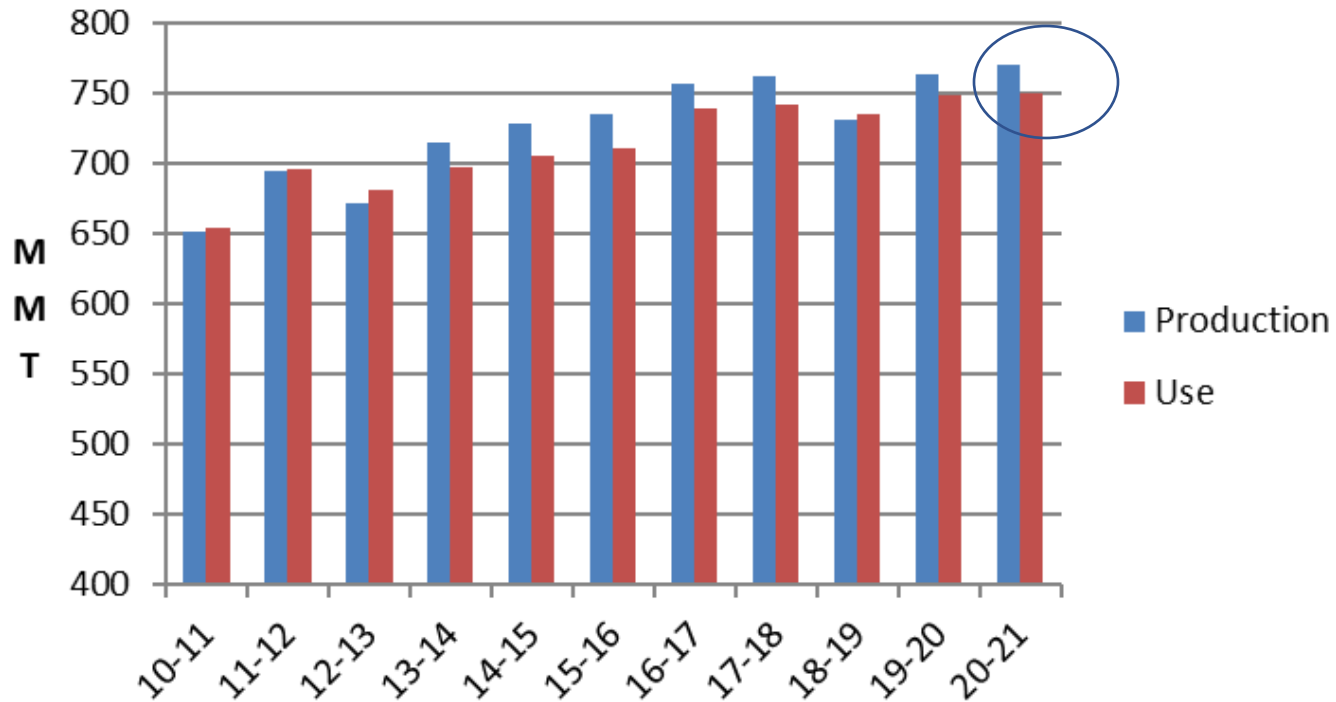


**US carryover declining somewhat to slightly above average.  
Large World ending stocks remain well above average.**

### World Wheat End Stocks



# World Wheat Production and Use



**World wheat production expected to exceed global use.**